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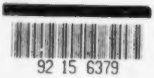
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



FORM 10-Q

/X/ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For Quarterly Period Ended MARCH 31, 1992

/ / Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For Interim Period Ended NOT APPLICABLE

Commission File No. ~~33-26179~~ 0-27978

SPECIAL DELIVERY SYSTEMS, INC.
(named Ran/Cor Ventures, Inc. until September 22, 1989)
(Exact name of registrant as specified in its charter)

Colorado	(new) 59-2965084 (old) 84-1072053
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

999 Woodcock Road, Suite 307, Orlando, Florida 32803
(Address of principal executive offices and zip code)

407 - 897-3451
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name, address or fiscal year changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes X , No ____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

3,309,181 shares of Common Stock, $.0005 par value, outstanding as of March 31, 1992

(Reflects 5 into 1 reverse split on February 20, 1990.)

EXHIBIT INDEX Is On Page 21 Of 22 Sequential Pages Herein.

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SPECIAL DELIVERY SYSTEMS, INC.

(sometimes referred to as the "Company" or "Registrant")

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

SPECIAL DELIVERY SYSTEMS, INC.
(A Development Stage Company)

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 1992
AND FOR THE YEAR DECEMBER 31, 1991

SPECIAL DELIVERY SYSTEMS, INC
(A Development Stage Company)

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SPECIAL DELIVERY SYSTEMS, INC.
(A Development Stage Company)

BALANCE SHEETS

ASSETS

	MARCH 31 1992	DECEMBER 31 1991
CURRENT ASSETS		
Cash	$ 631	$ 563
Marketable Securities, At cost which approximates market	4,933,344	4,894,465
Supplies Inventory, at lower cost for market	160,000	160,000
Total Current Assets	5,093,975	5,055,028
PROPERTY AND EQUIPMENT, AT COST		
Auto	40,038	40,038
Office Equipment	37,889	37,889
Software	2,181	2,181
	80,108	80,108
Less Accumulated Depreciation	(22,3491	(19,1091
	57,759	61,089
OTHER ASSETS		
Organizational Costs, net of accumulated amortization of $ and $ 3 , respectively	7	7
Deposits	14,923	5,023
	14,930	5,030
	$5,166,664	$5,121,147

The accompanying Notes are an integral part of the financial statements.

SPECIAL DELIVERY SYSTEMS, INC.
(A Development Stage Company)

BALANCE SHEETS (CONTINUED)

LIABILITIES AND STAREHOLDERS' EQUITY

	MARCH 31 1992	DECEMBER 31 1991
CURRENT LIABILITIES:		
Note Payable Related Party	$	$ -
Note Payable - Other		-
Accounts Payable	100,878	88,647
Accrued Wages - Officers	430,500	372,000
Accrued Interest Payable - Officers	13,476	10,466
Accrued Payroll Taxes	592	178
Current Portion of Long - Term Debt	3,601	4,735
Current Portion of Lease Payable	78	78
Total Current Liabilities	549,125	476,104
COMMITMENTS AND CONTINGENCIES:		
STOCK ISSUABLE	25,929	25,929
LONG TERM DEBT, NET OF CURRENT PORTION:		
Note Payable - Bank	16,710	16,842
Lease Payable	-	-
Loans Payable-Stockho'der	43,828	-
Note Payable - Officers	66,277	33,514
	126,815	56,356
SHAREHOLDERS' EQUITY:		
Preferred stock, $.0005 par value, 10,000,000 shares authorized, none issued and outstanding	-	-
Common Stock. $.0005 par value, 20,000,000 shares authorized, 3,339,181 issued and 3,209,181 outstanding (without treasury stock) at December 31, 1991, 3,439,181 issued and 3,309,181 outstanding (without treasury stock) at March 31, 1992	1,733	1,683
Common Stock Subscribed	(525,000)	(525,000)
Addition: Paid in Capital	6,048,723	6,018,773
Contributed Capital	10,818	10,818
Accumulated Deficit during the Development Stage	(1,071,479)	(943,518)
Less Treasury Shares of 130,000,as restated, no cost, and 130,000 at March 31, 1992	(-)	(-)
	4,464,795	4,562,756
	$5,166,664	$5,121,147

The accompanying Notes are an integral part of the financial statements.

SPECIAL DELIVERY SYSTEMS, INC.
(A Development Stage Company)

STATEMENTS OF OPERATIONS

For the three months ended March 31, 1991
and for the period from inception (October 27, 1988) to March 31,1991

	THREE MONTHS ENDED MARCH 31 1992	MARCH 31 1991	FOR THE PERIOD FROM INCEPTION TO MARCH 31 1992
REVENUE			
Services	$ -	$ -	$ -
EXPENSES			
General and Administrative	140,801	103,912	1,440,843
Legal	5,315	-	88,270
Rent	14,519	15,657	117,488
Research and development	-	-	5,782
Depreciation and Amortization	3,331	2,552	25,475
Total Expenses	163,966	122,121	1,677,858
Other Income (Expenses)			
Interest Expense	(2,678)	(2,629)	(18,824)
Miscellaneous	-	(2,135)	(3,838)
Investment,at Equity	38,879	-	628,621
Interest Income	6	8	422
	36,007	(4,756)	606,381
NET (LOSS) BEFORE PROVISION FOR INCOME TAX	(127,959)	(126,877)	(1,071,477)
Provision for Income Tax	-	-	-
NET (LOSS)	$(127,959)	$(126,877)	$(1,071,477)
(LOSS) PER SHARE	$(.04)	$(.05)	$(.3)
Weighted Number of Common Shares Outstanding	2,439,181	2,278,054	3,439,181

The accompanying Notes are an integral part of the financial statements.

SPECIAL DELIVERY SYSTEMS, INC.
(A Development Stage Company)

STATEMENTS OF CASH FLOWS

For the three months ended March 31, 1992
and for the period from inception (October 27, 1988) to March 31, 1992

	THREE MONTHS ENDED MARCH 31 1992	MARCH 31 1991	FOR THE PERIOD FROM INCEPTION TO MARCH 31 1992
CASH FLOWS FROM OPERATING ACTIVITIES			
NET (LOSS)	$(127,959)	$ (126,877)	$ (1,071,477)
Adjustments to reconcile net loss to net cash provided by operations			
Stock issued for services	30,000	-	140,000
Depreciation	3,331	2,552	22,349
Amortization of Organizational Costs	-	1	15
Equity in earnings from income from the investee	(38,880)	-	(628,631)
(Increase) Decrease In:			
Inventory	-	-	(160,000)
Deposits	(9,900)		(14,923)
Increase (Decrease) In:	-	-	-
Accrued Wages-Officers	58,500	34,500	430,500
Accrued Interest Payable	3,010	1,912	13,476
Accrued Payroll Taxes	414	255	592
Escrow	-	(3,272)	12,929
Trade Accounts Payable	12,231	(5,014)	100,856
NET CASH USED BY OPERATING ACTIVITIES	(69,353)	(5,014)	(1,154,314)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions of Fixed Assets	(-)	(-)	(80,108)
	(-)	(-)	(80,108)

The accompanying Notes are an integral part of the financial statements.

SPECIAL DELIVERY SYSTEMS, INC.
(A Development Stage Company)

STATEMENTS OF CASH FLOWS

For the three months ended March 31, 1992
and for the period from inception (October 27, 1988) to March 31, 1992

	THREE MONTHS ENDED MARCH 31 1992	MARCH 31 1991	FOR THE PERIOD FROM INCEPTION TO MARCH 31 1992
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuing Common Stock	$ -	$ 198,036	$ 1,261,372
Commission paid on Stock Sale	-	(24,971)	(143,016)
Nonaccountable offer expenses	-	-	(14,668)
Stock to be issued	-	-	(12,945)
Contributed Capital	-	-	10,818
New Borrowings			
Short Term	-	7,000	-
Long Term- Officers	26,761		66,277
Long Term	43,828	-	64,217
Debt Reduction:			
Long term-officers	( )	(48,464)	
Long Term	(1,266)	(1,134)	-
NET CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES	69,323	130,500	1,232,055
NET INCREASE (DECREASE)	70	34,557	(2367)
CASH AT BEGINNING OF THE PERIOD	563	2,870	3000
CASH AT THE END OF THE PERIOD	$ 633	$ 37,427	$ 633
SUPPLEMENTAL DISCLOSURES			
Non cash operating and financial activities			
Treasury Stock, no cost	$ -	$ -	$ -
Reverse Stock Split 5 into 1	$ -	$ -	$ -
Stock Acquisition	$ -	$ -	$4,304,723
Stock issued for services	$ 30,000	$ 13,000	$ 115,000

The accompanying Notes are an integral part of the financial statements.

SPECIAL DELIVERY SYSTEMS, INC.
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION

Special Delivery Systems, Inc.,(The Company) whose name was changed September 22, 1989 from Ran/Cor Ventures, Inc. (A Development Stage Company), was incorporated on October 27, 1988, under the laws of the State of Colorado. Before the stock transfer to the new management, the Company was a wholly owned subsidiary of the Park Group, Ltd. (Park), and had no substantial operations or substantial assets since inception. Its general business purpose was to seek out and obtain, through an acquisition or merger transaction, assets or a business opportunity which will benefit its shareholders. On August 26, 1989, a stock transfer agreement was signed between Park and the purchasers who on August 28, 1989 became the principal owners and management of the company. The Company will engage in small package delivery on a statewide same day and national overnight basis, with plans to expand.

NOTE 2 - ACCOUNTING POLICIES

BASIS OF PRESENTATION
The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 1992 are not necessarily indicative of the results that may be expected for the year ended December 31, 1992. For further information refer to the financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1992.

MARKETABLE SECURITIES
In accordance with Financial Accounting Standards Board Statement No. 12, marketable securities include securities which can be readily purchased or sold using established selected markets (See Note 3). Such securities are stated at cost which approximates market. Since the securities acquired are in excess of 20% of the total outstanding stock of that issuer, this transaction is accounted for as an equity interest as per AICPA Accounting Principles Board Opinion number 16.

Realized gains or losses are determined on specific identification method and are reflected in income. Unrealized losses on current marketable securities are recorded directly in net income in the period in which they occur. At December 31, 1991, there were no significant gains or losses.

INCOME TAXES
The Company provides for significant timing differences in the recognition of revenue and expenses for financial reporting and income tax reporting purposes. The company currently has no provision for federal income tax as it is currently operating at a loss through March 31, 1992. As of December 31, 1991, the company has no adopted the new FASB 107, accounting for income taxes. At December 31, 1991, the company has a net operating loss carryforward of approximately $44,000 to the year 2006. At March the company has operating loss carryforward of additional approximately 130,000 to the year 2007.

The Company has elected a fiscal year end of December 31.

RESTATEMENT OF FINANCIAL STATEMENTS
In February 1990, the Company filed with the Securities and Exchange Commission restated 1989 financial statements, to reflect a reverse stock split. Refer to Note 9 for details of the stock split.

NOTE 2 - ACCOUNTING POLICIES (Continued)

LOSS PER SHARE
Loss per common share is computed on the basis of the weighted average number of shares of common stock equivalents outstanding during the period (2,278,054 for 1990 and 2,913,971 for inception to December 30, 1991 and 3,439,181 for the quarter ended March 31, 1992.

NOTE 3 - MARKETABLE SECURITIES
The company's intent for investing its common stock in the marketable securities is capital gains with the intent to sell these securities in the current period. The securities are non public shares with its select market within the insurance industry. At December 31, 1991, the company has an offer from another insurance company to acquire these securities.

The Company has entered into a Stock Exchange Agreement on October 28, 1991 to exchange 614,960 shares of the company common stock at a value of $7.00 per share for $ 4,304,723 for 20.01% of the marketable securities (Surplus Line carrier insurance company) common and preferred stock. Since marketable securities are over 20% ownership in the company, this transaction is being accounted for on the equity method: The Marketable Securities Condensed Financial statements are as follows:

NOTE 3 - MARKETABLE SECURITIES (Continued)

PACIFIC INTERNATIONAL INDEMNITY CO, LTD
CONDENSED BALANCE SHEET
JUNE 30, 1991
(AUDITED)

ASSETS	
Cash and Cash Equivalent	$ 180,531
Investments in Securities	17,747,682
Other Current Assets	17,339
Notes Receivable	2,575,000
Office furniture and fixtures, net	105,980
Other assets	790,000
	$ 21,416,532
LIABILITIES AND STOCKHOLDER'S EQUITY	
Losses and loss-adjustment expenses	$ 343,000
Insurance Claims Payable	213,389
Other current liabilities	45,419
Stockholder's Equity	$ 20,812,724
	21,416,532

CONDENSED INCOME STATEMENT
FOR THE PERIODS ENDED

	June 30, 1991 (AUDITED)	December 31,1991 (UNAUDITED)
Revenue	$ 3,071,287	$4,023,813
Claims and expenses, franchise taxes	(1,760,940)	(2,386,919)
Net Earnings	$1,310,347	$1,636,894
Net Earnings per common stock	$ 5.25	$ 6.56
Weighted Shares Outstanding	249,590	249,590

The quarter ended earnings were estimated since the investment company did not have final financial statements completed at the time the 10Q was due. There will be a form 8 filed as soon as the financial information is available.

SPECIAL DELIVERY SYSTEMS, INC.
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - RELATED PARTY TRANSACTION

Legal Fees
Legal services have been provided to the Company by the law firm of JAMES R. LEONE, a director of the Company. Legal services payments were made of $10,313 in cash and $13,000 in stock at the prior public offering price of $5.00 per share.

Long Term Debt- Officers
The stockholders have advanced loans to the company for offering and operating expenses. See Note 8.

NOTE 5 - ORGANIZATIONAL COSTS
The Organizational costs are being amortized over a period of sixty months, beginning October 27, 1988. Amortization as of March 31, 1992 was $1 and as of December 31, 1991 was $4.

NOTE 6 - STOCK ISSUABLE
The Company has received proceeds for the sale of stock from the underwriter, but certificates for 2,584 shares were not issued by the transfer agent because of lack of purchaser's data from the previous underwriter. For financial report purposes the company has treated these shares as issued but not outstanding. At December 31, 1991, this amount included approximately $12,929 in proceeds from sale of stock and stock for legal services of $13,000.

NOTE 7 - COMMITMENTS AND CONTINGENCIES
OFFICE EXPENSE

The Company as of December 31 is paying two office leases. The first is a temporary lease for approximately $400 per month. The second is a permanent lease that the company entered into for its office facilities effective February 13, 1990. The lease consists of a base rental amount which was determined February 11, 1990. The lease agreements generally require that the Company pay applicable property taxes and provide maintenance.

NOTE 7 - COMMITMENTS AND CONTINGENCIES (Continued)

OFFICE EXPENSE (Continued)
The lease expires June, 1995. Future minimum rental payments required under the lease are as follows:

1992	34,425
1993	51,750
1994	56,250
1995	29,588
	$ 172,013

Rent expense for the years ended March 31, 1992 and 1991 were $14,519 and $75,818 respectively.

Note 8 LONG TERM DEBT
Long term debt at March 31, 1992 consists of the following:

Prime plus 2% note payable to a bank due in monthly installments of $577, maturing September 1995 secured by automobile, guaranteed by a stockholder/ officer-director.	$20,311
Less Current Portion	3,601
	$16,710

Aggregate maturities under these agreements for the five years subsequent to March 31, 1992 are as follows:

1992	5,191
1993	6,921
1994	6,921
1995	5,767
	24,800
Less Interest	4,489
Less Current Portion	3,601
	$ 16,710

Total Interest Cost of all debt was $3,141.

	1991	1992
Note Payable to Officers-Stockholders, due on demand including 12% interest annually, unsecured, for advances (loans) of offering and operating expenses.	$39,516	$ 66,277
Loans Payable to stockholder, due on demand. including 12% interest annually, secured by company stock		$43,828

Note 8 LONG TERM DEBT (Continued)

Office equipment is being held under a number of noncancellable capital leases originating in 1991 with terms of twenty four months. These assets are stated on the balance sheet at their capitalized cost of $801. Accumulated depreciation of $240 has been recognized to date.

Following is a schedule of future lease payments under these leases:
Year ending December 31:

1992 Total lease payments	$ 80
Less amount representing interest	2
Present value of future lease payments	$ 78

This amount is stated in the balance sheet as follows:

Current portion	$ 78
Obligation	$ 78

NOTE 9 - STOCKHOLDERS' EQUITY:

As of August 28, 1989, the Company had a change of management in connection with a private sale of a controlling block of stock of 2,086,200 shares by shareholders. The new management has proposed to offer to the public for cash up to 700,000 common shares (Subject to adjustment). Of the 513,800 Units (each containing one Common share, one A Warrant and one B Warrant) which had been spun off as a dividend to the shareholders of the Company's former parent, The Park Group, Ltd.,(Park) 130,000 Units were returned to the Company as treasury securities, leaving 183,800 Units issued. Filings on Form S-K and Form S-1 have been filed with the U.S. Securities and Exchange Commission to reflect the foregoing. Expenses of the filing and miscellaneous operating costs are being borne by the new shareholders until the offering is made. The registration became effective March 26, 1990 and a number of shares were sold as described in other notes. A post-effective amendment was filed to reflect a new underwriter, and was declared effective January 23, 1991. The Company terminated the offering on October 23, 1991.

On February 20, 1990 the Company filed an amendment of the Articles of Incorporation to cause a five into one reverse stock split whereby each five shares of the Company's outstanding $.0001 par value common stock were exchanged for one share of $.0005 par value common stock. The number of authorized Common Shares correspondingly decreased from 100,000,000 to 20,000,000.

NOTE 5 - STOCKHOLDERS' EQUITY: (Continued)
To help maintain the same capitalization balance as before the common stock share consolidation, the preferred stock also was consolidated 5 into 1, increasing its par value from $.0001 to $.0005 and reducing the authorized shares from 50,000,000 to 10,000,000.

The Company is authorized by its Articles of Incorporation (after the February 20, 1990 filing of an Amendment) to issue 20,000,000 shares of common stock, $.0005 par value, of which 2,400,000 are issued and 2,270,000 were outstanding (with 130,000 treasury shares, at no cost) at December 31, 1989, as restated 2,425,213 issued and 2,291,976 outstanding at December 31, 1990, and 3,339,181 issued and 3,209,181 outstanding at December 31, 1991. At March 31, 1992, 3,349,181 issued and 3,309,181 outstanding.The Company is also authorized to issue 10,000,000 shares of $.0005 par value preferred stock, none of which is issued and outstanding at December 31, 1991.

All of the Company's outstanding shares had been held by The Park Group Ltd., which distributed, through dividends, 313,800 of the outstanding shares of the Company, to Park shareholders. Certificates for 21,220 units were not issued to Park shareholders by the transfer agent because of state "blue Sky" law restrictions. As a result of the distribution, the Company has approximately 802 beneficial shareholders, as of December 31, 1991 .

The Company has also been authorized to issue immediately detachable Class A and B warrants. The warrants were unitized with Common Stock on the basis of one share combined with one Class A warrant and one Class B warrant. The class A warrants were exercisable at $2.50 per share before July 31, 1989 extended to October 30, 1990, at which date all of them were permitted to expire with out being exercised. The Class B warrants are exercisable at $5.00 before December 31, 1989 extended to July 31, 1992 and subject to further possible extension to no later then December 31, 1992. The Company may redeem the warrants at $.0005 per warrant at any time with a least thirty days written notice. The number of shares which are reserved and available for exercise of the class B warrants is 313,800 shares, based on the spin-off of 313,800 units.

On October 28, 1991 effective September 30, 1991, the Company acquired approximately 20% of an equity interest in Pacific International Indemnity Co. Ltd. (marketable securities) in a British Virgin Islands a surplus line carrier participating in primary insurance and reinsurance arrangements on health coverage, property and casualty exposures, worldwide. The Company filed its form 8" Current Reports" that reported this transaction.

NOTE 9 - STOCKHOLDERS' EQUITY: (Continued)

In December 1991, the Company has agreed to sell restricted Stock to an investor. The company has not received the proceeds from that investor at March 31, 1992. Therefore the stock is considered as subscribed common stock at March 31, 1992.

-END OF NOTES-

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Company is a development stage company and has not conducted any business operations. The Company had virtually no cash resources and no prospects for liquidity except by the offering of its Common Stock pursuant to its January 23, 1991 Final Prospectus. Such offering was temporarily suspended after July 24, 1990 pending effectiveness of Post-Effective Amendments No. 1 and 2, and the offering recommenced on January 23, 1991 through October 23, 1991. (See Item 5 "Other Information" herein.) The Prospectus is physically filed as part of the Company's Form S-1 Registration Statement, Commission File No. 33-31865, and also was physically filed as Exhibit No. 28(a) to the Company's Form 10-K Annual Report to the Commission for the Year Ended December 31, 1990, File No. 33-26179.

The Company's material commitments for capital expenditures as of the latest fiscal period are set forth in the Prospectus under "Use of Proceeds", which is incorporated herein by reference. The general purpose of such commitments is to establish the Company's business on a sound basis so as to seek possible revenues for the benefit of the Company's shareholders.

The anticipated source of funds needed to fulfill such commitments is investment by public shareholders. As a result of an exchange of stock with Pacific International Indemnity Co., Ltd. ("PIIC"), the Company has assets to use as collateral to allow the Company to borrow. At the present time, there is no available external funding source other than sale of the shares and exercise of the presently outstanding Class B Warrants, as described in the Prospectus, which cannot be assured (or possibly a sale of other securities, not presently intended).

The Company utilized all of the cash reserves shown on its November 3, 1988 Balance Sheet in the process of seeking the new business which it now is undertaking. The $15,000 line of credit from the Company's former parent company, PARK GROUP, LTD., which was established for seeking the business, was terminated because the business was located and acquired.

The Company has been negotiating at some length with potential lenders for funding to supplement or replace part of the proceeds of this offering. Because the size, interest rate and other terms of such a loan, and the probability of the loan being consummated, are not yet sufficiently certain, no attempt has been made to reflect such debt funding in the FINANCIAL PROJECTIONS in the Prospectus. For the same reasons, it is unclear whether such

funding would have a material effect on the projections, and whether it would increase or decrease the return (if any) on shareholders' equity. However, it would add a debt service burden to the Company's cash flow.

In addition, it should be noted that because the Company is a developmental stage company and has not yet commenced full business operations, the expenditures on securities offering expenses, general administration, and other overhead costs during such period without the receipt of operating revenues, resulted in a net loss, negative cash flow from operations (except the third quarter of 1991, as a result of the PIIC exchange of stock), and an accumulated shareholders' deficit.

PART II - OTHER INFORMATION.

Item 1. Legal Proceedings

No material proceedings were pending or terminated.

Item 2. Changes in Securities

A Warrant Expiration, B Warrant Extensions. The B Warrants to purchase Common Stock of the Company, at $5.00, were extended (by Notices mailed to all Warrantholders) to 4:00 P.M. Eastern Time on December 31, 1991. The Class A Warrants expired on October 31, 1990 without being exercised. The Company's shareholders approved (by a November 28, 1990 Consent) extensions of the Class B Warrants up to December 31, 1992. The Warrants are presently extended to July 31, 1992. The other terms of the Warrants remain as described in the Company's Prospectus referred to in Part I Item 2, and Part II Item 5, in this report.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to A Vote of Security Holders

During the quarter of the fiscal year for which this report is filed, the Company submitted one or more matters to a vote of security holders through the solicitation of proxies or otherwise, as follows:

NONE.

Item 5. Other Information

A. Securities Offering.

(1) Offering Commenced March 26, 1990; Size of Offering. On March 26, 1990 the SPECIAL DELIVERY SYSTEMS, INC. Form S-1 Registration Statement File No. 33-31865 was declared effective by the U.S. Securities and Exchange Commission. Pursuant to the Registration Statement, the Company was offering to the public for cash up to 700,000 shares of the Company's Common Stock $.0005 par value, at $5.01 per share. The aggregate proceeds (up to $3,507,000) were intended to be applied to the Use of Proceeds set forth in the March 26, 1990 Final Prospectus contained in the Registration Statement, for the purpose of establishing the Company's SAME DAY express delivery business and seeking a return for its shareholders.

(2) Underwriter Replaced To Continue Offering On Revised Terms. The original offering Underwriter, American Wallstreet Securities, Inc., ceased operations on July 24, 1990, and accordingly the Company temporarily suspended the offering. The Company selected a replacement Underwriter, EURO-ATLANTIC SECURITIES, INC., and filed Post-Effective Amendments No. 1 and 2 to reflect the replacement of the Underwriter and certain other changes in the offering items, including an increase in the offering price from $5.01 to $7.00, expiration of Class A Warrants, authorization of Class B Warrant extensions, proposed listing of the stock on the Boston Stock Exchange (upon receipt of $1,000,000 of proceeds and meeting other criteria), a slightly modified use or proceeds, and certain other changes. Upon effectiveness of such Post-Effective Amendments on January 23, 1991, the offering was resumed, and exercise of Class B Warrants may be effectuated.

(3) Prospectus And Registration Information. The January 23, 1991 Final Prospectus which is part of the Registration Statement has been physically filed as Exhibit No. 28(a) to the SPECIAL DELIVERY SYSTEMS, INC. Form 10-K Annual Report to the Commission for the year ended December 31, 1990, Commission File No. 33-26179. The Registration Statement (Commission File No. 33-31865) contains the Prospectus plus other information relating to the Company, including certain documents filed as Exhibits, as set forth in the Exhibit list contained in Post-Effective Amendment No. 2.

B. Amount And Use Of Proceeds.

Periods Ended September 30, 1990 and December 31, 1990. As of September 30, 1990 the amount of proceeds received and applied in regard to the public offering described above was $126,317, reflecting sale of approximately 25,213 shares of Common Stock, $.0005 par value per share, at $5.01 per share, the initial public offering price. Such proceeds were applied for the purposes specified in "Use of Proceeds" in the Company's March 26, 1990 Prospectus. As indicated above, no sales occurred after July 24, 1990 because the prior Underwriter ceased operations.

Quarter Ended March 31, 1991. Between January 23, 1991 (when stock sales recommenced) until March 31, 1991, approximately 28,296 shares were sold at the increased sale prices of $7.00 per share, yielding gross proceeds of approximately $198,022. Such proceeds were applied for the purposes specified in the Company's January 23, 1991 Prospectus.

Quarter Ended June 30, 1991. From April 1, 1991 through June 30, 1991, approximately 150,927 shares were sold at $7.00 per share for gross proceeds of approximately $1,056,489. Such proceeds were applied for the purposes specified in the Company's January 23, 1991 Prospectus.

Quarter Ended September 30, 1991. From June 30, 1991 through September 30, 1991, approximately 500 shares were sold at $7.00 per share for gross proceeds of approximately $3,500. Such proceeds were applied for the purposes specified in the Company's January 23, 1991 Prospectus.

Quarter Ended December 31, 1991. From October 1 to October 23, 1991, when the Company terminated the offering, approximately 1,000 shares were sold at $7.00 per share for gross proceeds of approximately $7,000. Such proceeds were applied for the purposes specified in the Company's January 23, 1991 Prospectus.

C. Exchange of Stock. As reported in the Company's Form 8-K Current Report for October 28, 1991, on that date, effective as of September 30, 1991, the Company executed a Stock Exchange Agreement with Pacific International Indemnity Co., Ltd., a British Virgin Islands insurance carrier. The results of that acquisition are reflected in the Financial Statements.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

None which are not "previously filed" as defined in Rule 12b-2 pursuant to Form 10-Q General Instruction G.

(b) Reports on Form 8-K.

The Company has not filed a report on Form 8-K during the quarter of the fiscal year for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SPECIAL DELIVERY SYSTEMS, INC.

DATE: May 12, 1992

By: SAMER S. MAJZOUB, President
(Duly Authorized Officer)

DATE: May 19, 1992

By: JAMES B. CALL, Treasurer
(Principal Financial or Chief Accounting Officer)

NOTE BY LEGAL COUNSEL: Pursuant to Form 10-Q General Instruction G, a single signature is acceptable in the case where the principal financial officer or chief accounting officer is also duly authorized to sign on behalf of the Registrant, provided that the Registrant clearly indicates the dual responsibilities of the signatory.